

Message Text

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PAGE 01 NEW DE 10082 160844Z
ACTION NEA-10

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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC PRIORITY 4754
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E. O. 11652: NA
TAGS: EINV, BTRV, US, IN
SUBJECT: PHARMACEUTICALS

REF: NEW DELHI 9440

1. AS ADDITIONAL EMBASSY EFFORT IN SUPPORT US DRUG FIRMS,
AMBASSADOR AND COMMERICAL COUNSELOR CALLED JULY 15 ON
SECRETARY FOR CHEMICALS AND FERTILIZERS S. KRISHNASWAMI.

2. FOLLOWING AMBASSADOR'S PRESENTATION OF GENERAL US DRUG
FIRM POSITION, KRISHNASWAMI AGAIN ENUNCIATED HIS PREVIOUSLY
EXPRESSED POSITION THAT NEW DRUG POLICY HAD TO BE REACHED BY
EARLY AUGUST. IN FAIRLY LENGTHY EXPOSITION OF HIS MINISTRY'S
POSITION, KRISHNASWAMI SAID U. S. (AND OTHER FOREIGN) DRUG
FIRMS HAD BEEN HERE FOR AT LEAST THIRTY YEARS, ALMOST
EXCLUSIVELY IN A SIMPLE DRUG FORMULATION ROLE. SUCH A ROLE
HAD BEEN USEFUL IN THE PAST, AS HAD FOREIGN FIRMS' EXPERTISE IN
DRUG DISTRIBUTION. NOW, HOWEVER, GOI FIRMLY BELIEVED THAT
DRUG FORMULATING ROLE FOR FOREIGN FIRMS WAS OUTDATED AND THAT,
TO REMAIN IN INDIA, FOREIGN DRUG FIRMS WOULD ALSO HAVE TO
BRING IN NEW TECHNOLOGY AND BECOME MANUFACTURERS OF BULK
DRUGS, SINCE THIS KIND OF EXPERTISE WAS WHAT INDIA NOW
NEEDED. DEMONSTRATION OF INTENT TO ACT IN THIS FIELD WOULD
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PAGE 02 NEW DE 10082 160844Z

BE DECIDING FACTOR IN GOI TREATMENT THESE FIRMS.

3. CONTINUING ON TO GENERAL PICTURE PRESENT POSITION DRUG
INDUSTRY IN INDIA AND ITS FUTURE DEVELOPMENT, KRISHNA-
SWAMI APPEARED TO ECHO THESES OF STUDY PRESENTED TO HIM TWO
DAYS EARLIER BY DRUG INDUSTRY REPRESENTATIVES. HE EMPHASIZED
VAST NEW INVESTMENT REQUIRED OVER NEXT 10 YEARS, WHICH WOULD

FULLY OCCUPY CAPACITY OF ALL FOUR SECTORS DRUG INDUSTRY IN INDIA (FOREIGN, DOMESTIC PUBLIC SECTOR, DOMESTIC PRIVATE SECTOR AND SMALL SCALE).

4. KRISHNASWAMI SAW AMPLE ROLE FOR FOREIGN DRUG FIRMS IN GOI DRUG EXPANSION PLANS AND IMPLIED THAT, SHOULD US FIRMS BE WILLING TO MAKE REQUIRED CONTRIBUTIONS IN TERMS BULK DRUG MANUFACTURE, CONDITIONS HERE FOR VIABLE OPERATION WOULD BE ASSURED.

5. WITH RESPECT TO PRICE MARK-UP PROBLEMS, WITH WHICH BOTH DOMESTIC AND FOREIGN DRUG PRODUCERS HERE HAVE BEEN MOST WORRIED, KRISHNASWAMI SAID SAME PRICE MARK-UP WOULD APPLY TO ALL SECTORS OF DRUG INDUSTRY. HE RECOGNIZED THAT LEVEL HAD TO BE HIGH ENOUGH TO ENCOURAGE INVESTMENT. MINISTRY WOULD BE FLEXIBLE IN ALTERING ANY DECISION WHICH PROVED IN COURSE OF TRIAL TO BE IMPRACTICAL. HE ASSURED AMBASSADOR, AS HE HAD PREVIOUSLY ASSURED OTHER EMBASSY OFFICERS, THAT HE WELCOMES DIALOGUE WITH US DRUG FIRMS AND PARTICULARLY VISIT OF UPCOMING PMA DELEGATION WITH WHICH HE ANTICIPATES FRANK EXCHANGE OF VIEWS.

6. REQUEST DEPARTMENT URGENTLY CONVEY ABOVE TO PMA, IN ADVANCE DEPARTURE JOHN SHERMAN COOPER-PMA MISSION (ARRIVING NEW DELHI JULY 22) PARTICULARLY KRISHNASWAMI'S CONVICTIONS REGARDING CHANGING ROLE OF FOREIGN DRUG FIRMS TO INCLUDE BULK LIMITED OFFICIAL USE

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PAGE 03 NEW DE 10082 160844Z

DRUG MANUFACTURE AS WELL AS FORMULATION, IN ORDER RETAIN THEIR POSITION IN INDIA OVER COMING YEARS.
GOHEEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 16-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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